

Washington, DC – With support from U.S. Rep. John Hall (D-Dover), Congress passed legislation to stimulate the economy and provide stability to American families hit hardest by the recession by extending unemployment benefits, the homebuyers' tax credit, and tax relief for military families and businesses. The Emergency Unemployment Compensation Extension Act will provide immediate assistance, extending relief to millions of workers, families, and businesses nationwide.

"This is another crucial step to stimulate the Hudson Valley's economy and provide immediate relief to struggling New Yorkers who have lost, or are on the verge of losing, their unemployment benefits and get our economy moving in the right direction," said Congressman Hall. "The families who receive these benefits will be putting money right back into our local economy – buying groceries, filling their cars with gas, and making their mortgage payments on time."

The extension is fully paid for and will provide immediate, effective stimulus to the local economy. The Congressional Budget Office has cited unemployment benefits as one of the most cost-effective forms of economic stimulus, and every dollar spent on unemployment benefits generates \$1.63 in new demand, according to Moody's chief economist Mark Zandi. The legislation will provide families in New York with 20 additional weeks of emergency unemployment compensation.

The bill includes an extension of the \$8,000 first-time homebuyer tax credit through April 30, 2010 and provides a \$6,500 credit to new purchasers who have lived in their current residence for five years or more. It also helps military families struggling to make mortgage payments by making those payments tax-exempt. Congressman Hall has been pushing to extend the homebuyer tax credit until 2011. He is a cosponsor of the First-Time Homebuyer Credit Extension Act (H.R. 1993), legislation to extend the tax credit through 2010 and he also sent a bipartisan letter to Congressional leadership asking for quick action to address the situation. He will keep fighting to have the tax break extended through the end of 2010.

"The tax incentive for first-time homebuyers has been extremely successful and made progress toward our economy recovering from the worst recession in generations," said Congressman Hall. "Since this tax credit was expanded in February, we have seen house sales rise and some glimpses of price stabilization. While there are some positive signs for the housing market, it still remains extremely fragile. An extension of the housing tax credit will maximize its impact for middleclass homebuyers and the housing market as we work to strengthen our economy."

To breathe life back into American businesses suffering from huge losses, this bill allows U.S. companies to carry back losses incurred in either 2008 or 2009 against income earned in any of the five prior years.

"These tax breaks will help stabilize our small businesses and strengthen our housing market," said Hall. "While we continue working to turn this economy around, these tax break extensions will provide much-needed relief to millions of Americans."

-30-